

**Page Denied**

25X1

Central Intelligence Agency



Washington, D. C. 20505

## DIRECTORATE OF INTELLIGENCE

7 September 1983

Japan: Political Situation

25X1

*Prime Minister Nakasone hopes legislative victories in the current special session of the Diet plus visits by President Reagan and other foreign leaders will provide him with the political momentum to call elections in early 1984. His primary problem is the bribery trial of his principal backer, former Prime Minister Tanaka. A verdict--which most observers believe will be, "guilty"--is expected on 12 October.*

25X1

A Busy Calendar

Nakasone is again demonstrating his political adroitness. In the current special session of the Diet, Nakasone is pressing ahead with his top priority administrative reform legislation that would trim government subsidies and cut the public payroll.

25X1

- According to several polls, the public strongly backs this issue as a way to prevent higher taxes.
- Nakasone has also proposed an income tax cut, effectively stealing the initiative from the opposition parties, which planned a confrontation over the issue.
- If the Prime Minister manages to get even part of his legislative agenda passed--particularly the reform

---

*This memorandum was prepared by the Office of East Asian Analysis*

25X1

CONFIDENTIAL

bills--both Nakasone and the LDP will benefit in the next election campaign. [REDACTED]

25X1

Nakasone probably believes he needs a legislative success to help offset the effects of a probable guilty verdict in the Tanaka/Lockheed bribery case. The Japan Socialist Party and other opposition groups will use the verdict to attack the LDP; a resolution demanding Tanaka's resignation from the Diet is almost certain. Given the personal animosity between former Prime Minister Fukuda--his principal rival in the LDP--and Tanaka, it is not certain Nakasone can even count on support from all of his party on the issue. [REDACTED]

25X1

In the month or so following the Tanaka verdict Nakasone will host three foreign leaders, West German Chancellor Kohl, President Reagan, and Chinese Secretary General Hu Yaobang. He is also planning a visit to China, tentatively scheduled for January. This unprecedented diplomatic schedule is designed to divert media attention from the Tanaka verdict and provide Nakasone with a platform to demonstrate his status as a world leader. The Prime Minister has used foreign policy for political benefit in the past. After his successful visit to the ASEAN countries in May and his performance at the Williamsburg Summit, popular support for the Nakasone administration soared. The result was a solid LDP victory in the Upper House elections in June. [REDACTED]

25X1

### Election Timing

In order for Nakasone to be reelected as LDP president in November 1984, the Party must first do well in the next general election.

- By law, elections for the lower house of the Diet must be held by June 1984. [REDACTED]  
[REDACTED] Nakasone is considering a date earlier in 1984.

25X1

25X1

- In selecting a date, Nakasone will have to be prepared for a possible political crisis following the Tanaka trial. [REDACTED]

25X1

Nakasone probably believes the election odds are in his favor. Nakasone's own standing in the polls continues strong and the economy is on a slow recovery path. Aside from Tanaka, the opposition parties have no significant issue. [REDACTED]

25X1

It is not even clear that the opposition parties can make gains using the Tanaka verdict. Tanaka could resign from the

2  
CONFIDENTIAL

CONFIDENTIAL

Diet voluntarily after the verdict; according to press reports, 70 percent of the Diet believe he will. Tanaka could then run for re-election in 1984 and, given his popularity in his home district, win. [REDACTED]

25X1

The Prime Minister has managed to calm fears over his hawkish position on defense by lowering his public profile on this issue. In line with this, Japanese officials have asked that Washington take a low key position on defense--particularly during President Reagan's visit--to avoid raising public fears again. [REDACTED]

25X1

CONFIDENTIAL